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CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

COUNTRY Communist China
SUBJECT "State Private Trade" in Communist China

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- For some time there has been a resumption of a kind of state and private combined trade in Communist China. An example is to be found in the river shipping line, the Ming Sung Company. This is now operating with ninety-six steamers and forty large barges on southern Chinese waterways, especially on the Yangtze and the Szechuan. The board of directors consists of fifteen governmental representatives and ten private individuals. The general director of the firm is a government official. The seamen employed by the firm and the private stockholders are both out into a share of the profits.
- After its extraordinary experience with this river shipping company, the Communist Government has now made up its mind to set up two steel works along the same lines, during the course of the present year, with a "mixed economy." It is hoped, through the participation of the workers, especially the labor tongs, to increase the productivity of the industry. An increase of productivity reaching forty percent is now promised, based on experience with the Ming Sung Shipping Company, though such an increase is probably little more than a pious hope.
- Further plans look to the extension of the already existing state chain stores and consumers' cooperatives, along the same lines. In north China there are already 18,000 of these consumers' organizations and in southwest China about 11,000.
- If these intentions of the government are carried out, it is obvious that there will be a considerable relief from, and also a considerable tension with, the previous governmental measures, which have been of entirely Communist inspiration. A relaxation in the socializing tendency may in this way become possible. These developments cannot be too eagerly anticipated, however. One thinks at once of the NEP period in the USSR, which lasted none too long.

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